

EXHIBIT "A"

2017 MUNICIPAL ANNEXATION POLICY

I. PURPOSE AND INTENT

The purpose of this Annexation Policy is to establish a framework whereby the City of McKinney can proactively identify, analyze, and evaluate areas for potential annexation.

It is the intent of this policy to comply with Chapter 43 of the Texas Local Government Code and to further the stated goals and strategies of the City by:

- a) implementing the City of McKinney Comprehensive Plan;
- b) defining and protecting the ultimate boundaries of McKinney;
- c) ensuring responsible planning; and
- d) ensuring the continued attractive and efficient growth of the City.

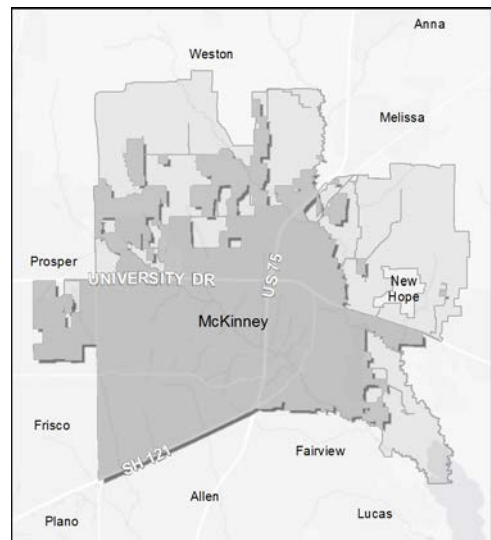
II. BACKGROUND

In the 1999 State of Texas Legislative Session, the State passed Senate Bill 89 which significantly changed the procedures for unilateral annexations initiated by home rule cities. The preparation, adoption, and publication of an Annexation Plan (also referred to as a "Municipal Annexation Plan") is one of the major items that the State Legislature now requires of all municipalities.

The current Annexation Plan for the City of McKinney was adopted in 1999 and generally states, "*the City of McKinney has no plans or intent to annex any property that is required by law to be included in ... [an] Annexation Plan.*" The Plan goes on to state that the City reserves the right to involuntarily annex certain properties under the exemption clause of Texas Local Government Code.

As of 2016, the City of McKinney corporate limits is approximately 68 square miles. However, the ultimate area of McKinney is roughly 116 square miles. This means that almost 50 square miles of unincorporated land still currently sits within the City's Extraterritorial Jurisdiction (ETJ). While the city can exercise subdivision authority within its ETJ, it cannot exercise land use control (i.e. zoning) or taxing authority over those unincorporated areas.

Given the expected growth of the City of McKinney, policy guidance is key to accomplishing and implementing the goals and vision of the City in order to best accommodate anticipated growth.



1 Map of McKinney City Limits and ETJ (2016)

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III. PLANNING FOR ANNEXATIONS

When planning for annexations (both voluntary and involuntary), City leaders and decision-makers should consider if the proposed annexation achieves any of the following:

- a) **Economic Development:** Facilitates public-private partnerships intended to stimulate economic growth, diversify the economic base, and/or create job opportunities.
- b) **Long Range Planning:** Accomplishes the goals of the Comprehensive Plan, City Council strategic goals, and/or other city policy documents.
- c) **Protect Future Development:** Protects future development from inadequate design and construction standards through the extension of the City's land use regulations and building codes.
- d) **Capital Investments:** Promotes a sustainable community through the efficient planning and provision of capital investments and the rational extension of public improvements.
- e) **Fiscal Responsibility:** Balances the resources generated by taxes and other revenues to accommodate current needs as well as anticipated future needs.

IV. EVALUATION CRITERIA FOR ANNEXATIONS

Once an area is determined to achieve one of the planning goals described in Section III, city leaders and staff should specifically consider the following when determining if an area located in the Extraterritorial Jurisdiction should be annexed:

- a) Is the area an enclave of the City that would benefit from the systematic and efficient provision of services provided by a city?
- b) Is the City aware of, or anticipate development activity that would require water, sewer, and/or other municipal services to promote public health, safety and welfare in the area?
- c) Is the area identified on the City's Comprehensive Plan as a commercial center, mixed-use center, entertainment center, or professional campus?
- d) Is the City able to provide city services at a level equal to other comparable areas already inside the city limits?
- e) Is there development potential that would benefit from a level of service provided by a city rather than an unincorporated area?
- f) What is the reliability, capacity, and future public cost (if any) of current infrastructure such as roads, drainage, utilities, etc.?
- g) What are the current conditions of existing public services (i.e. police, fire, etc.) as compared to the conditions that currently exist within the City?

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V. ANNEXATION PROGRAM

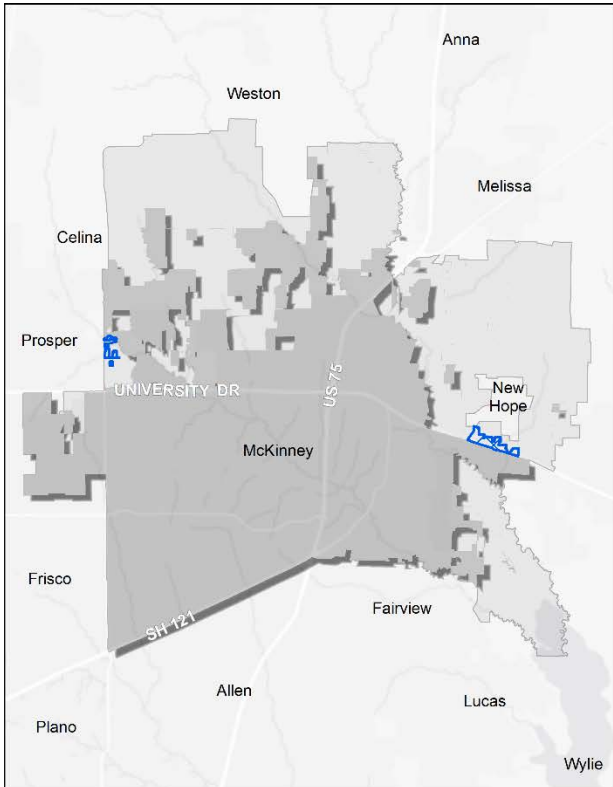
The Annexation Program below outlines the ways in which areas within the Extraterritorial Jurisdiction of McKinney can be annexed.

a) Municipal Annexation Plan (2017)

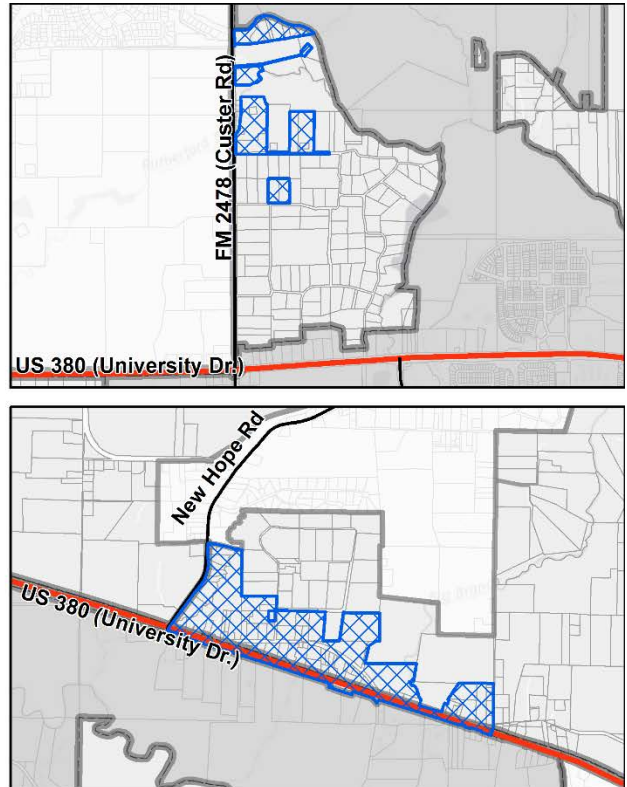
In accordance with Section 43.052 of the Texas Local Government Code, the general purpose of the Municipal Annexation Plan is to identify the areas that the City intends to annex within three years from adoption of the Plan. Below is a table of the areas that have been identified as part of the Municipal Annexation Plan (2017).

Area	Description	Approx. Size	Annexation Year
17-1	Generally located 3,300 feet north of U.S. Highway 380 (University Drive) and east of FM 2478 (Custer Road)	49 Acres	2020
17-2	Generally located north of U.S. Highway 380 (University Drive) and east of New Hope Road	169 Acres	2020

**as depicted on the figures below*



2 Municipal Annexation Plan location map (2017)



3 Enlarged map of Area 17-1 (top) and Area 17-2 (bottom)

Exclusion of an area from the Municipal Annexation Plan does not prevent the city from annexing the area under the exemption qualifications of the Texas Local Government Code.

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b) Annexations Exempt from the Municipal Annexation Plan

In accordance with Section 43.052 of the Texas Local Government Code, the City of McKinney may annex certain properties not identified on the 2017 Annexation Plan. The decision to proceed with annexations exempt from the Annexation Plan shall be in conformance with this policy.

c) Voluntary Annexations

In accordance with Section 43.052 of the Texas Local Government Code, a private property owner (or owners) may request to be annexed into a City's corporate limits. Voluntary annexations have led to large expansions and growth of the city and should be evaluated using the planning and evaluation criteria of this policy to ensure that the purpose and intent of this document are being met.

d) Disannexations

In accordance with Chapter 43 of the Texas Local Government Code, real property owners may petition the City Council to disannex from the corporate limits of McKinney. Similarly, the City may seek to disannex an area from the corporate limits of McKinney in accordance with Chapter 43 of the Texas Local Government Code.

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DEFINITIONS

- 1) Annexation – The legal process by which a City extends its corporate boundaries.
- 2) Annexation Policy – A set of guidelines for making annexation decisions.
- 3) Disannexation – The process by which territory is removed from the corporate limits of a municipality.
- 4) Enclave - An area within the City's extraterritorial jurisdiction that is surrounded by the corporate limits of the city and/or the corporate limits or extraterritorial jurisdiction of other municipalities.
- 5) Extraterritorial Jurisdiction (ETJ) – An unincorporated area that is contiguous to, and extends five miles from, the corporate limits of a municipality as determined in Chapter 42 of the Texas Local Government Code.
- 6) Infrastructure – Facilities necessary to provide city services, usually referring to physical assets such as streets and utility lines.
- 7) Municipal Annexation Plan – A document required by Section 43.052 of the Texas Local Government Code that specifically identifies annexations that may occur beginning on the third anniversary of the date the annexation plan is adopted or amended.